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SIPDIS

STATE FOR AF/S
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SENSITIVE

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SUBJECT: Tough Going for New Farmers

Sensitive but unclassified.

1. (SBU) Summary: In an initial call on the Ambassador, five Indigenous Commercial Farmers Union (ICFU) officials spelled out the hurdles they confront merging 12,000 land reform beneficiaries with their smaller pre-land reform membership. They also showed a willingness to work with a broader range of groups in the farming sector to stimulate debate on critical land policy issues. End summary.

2. (SBU) In introducing his organization, President Davison Mugabe (no relation to Robert) recounted that many black commercial farmers broke away from the mostly-white Commercial Farmers Union (CFU) in 1990 and founded the ICFU. The ICFU remained smaller than the CFU until 200, when the GOZ began driving white farmers from their land under fast-track land reform. The organization now claims an odd mix of 300-400 serious, mostly black commercial farmers who purchased their land, and 12,000 new members who recently took over or received land under the GOZ's so-called "fast track" land reform.

3. (SBU) The ICFU officials identified the many obstacles the country would have to surmount to get agriculture back to previous levels of productivity. We summarize below.

- Finance. ICFU officials said they expected the GOZ to issue 99-year leases in the near future, but they did not know whether the leases would be transferable or could serve as collateral for loans.
- Machinery. Tractors for tillage of land have been reduced from 44,000, pre-land reform, to 9,000, according to the ICFU officials. Irrigation units belonging to dispossessed farmers are in disrepair, often through vandalism or misuse.
- Training. The ICFU officials said they lack resources to provide training to inexperienced new farmers. In the meantime, they have asked all large-scale ICFU-affiliated farmers to mentor at least five new farmers. In subsequent discussion, they evinced a willingness to work with the CFU on joint training projects.
- Organization. The officials admitted their offices and other physical facilities are inadequate for an organization of 12,000 farmers. They admitted their largely unproductive new members contribute nearly nothing in dues.
- Environmental Management. They complained that new farmers are overtaxing resources on formerly white-run farms by allowing cows to overgraze and by cutting down too many trees for quick sale as firewood.
- Infrastructure. In parceling out land to new farmers, the GOZ has frequently divided one large farm into five or ten smaller units, without putting any mechanism in place to collectively manage assets. A new farmer allotted a plot with water or electricity resources is not required to share with his new neighbors, according to the ICFU representatives.
- Market Conditions. The ICFU farmers said GOZ policies discourage agricultural output, by, for example, underpaying for grain and tobacco. ICFU Vice-President Mudzikisi noted that he has shifted production on his farm from maize to paprika and sorghum, since the GOZ does not control the prices of these crops.

4. (SBU) Comment: We were encouraged that the ICFU President restated his willingness to engage in formal talks, and even a merger, with the CFU. Tapping into the CFU's still excellent resource base might be the only way for the ICFU to expand services to new farmers. As former dues-paying CFU members, ICFU members we talked to feel they should be able to access the CFU's superior facilities, technical expertise, training and international contacts. "We paid for it," snapped Wilson Nyabonda, one of Zimbabwe's largest tobacco farmers. At the same time, merging with the predominantly black ICFU might be the best way for the mostly-white CFU to survive

in the new Zimbabwe. Unfortunately, our contacts with the CFU suggest that they have not yet adjusted to this reality.

15. (SBU) No one expects a large influx of donor funds for agricultural recovery at this time. With or without donor funds, it is impossible to restore output to pre-land reform levels even in the medium term, absent a dramatic GOZ policy shift away from centralized control and towards restoration of the rule of law. In the short-term, however, coordination among the various farming unions to stimulate debate on what policies are necessary to restore agricultural productivity could set the stage for future progress. Equally important, such coordination and dialogue on land policy, based on shared economic interests, would cut across partisan lines and begin to limit Mugabe's populist-inspired control of the land issue. End comment.

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